



GOVERNMENT OF KERALA

Abstract

Agriculture Department - Establishment of Kerala Agro Business Company - CIAL Model - Changes in share holding pattern - Approval - Orders issued

AGRICULTURE (PU) DEPARTMENT

G.O.(Ms)No.95/2024/AGRI Dated, Thiruvananthapuram, 24-09-2024

Read 1 G.O.(Ms)No.71/2023/AGRI dated 07.08.2023

2 Resolution no. BM 3/018 in the meeting of the Board of Directors of KABCO held on 27.06.2024

ORDER

Government of Kerala approved the formation of Kerala Agro Business Company (KABCO) to establish a vibrant agriculture marketing in the State and thereby increasing income of farmers, for providing focus to value addition and processing in Kerala. The Company was approved to be formed by registering in the Public, Private Partnership model with share participation not exceeding 33% by the Government, not exceeding 24% by selected farmers, not exceeding 25% by farmer collectives (FPO's or farmer cooperatives) and not exceeding 13% by selected general public and not exceeding 5% by financial institutions including primary agriculture cooperatives.

2. As per Resolution read as 2nd above it was resolved to amend the clause 4 of the Article of Association. This adjustment is a response to increased interest from financial institutions, necessitating a higher maximum limit for their shares. Additionally, the initial reluctance or unavailability of individual farmers and farmer collectives has led to their reduced share limits, with the expectation that these categories will become more engaged as KABCO becomes more established.

3. Accordingly, the Board of Directors of KABCO passed the following resolution :-

" Unless otherwise decided by the Government, out of the issued capital Government of Kerala shall hold not exceeding 33% and there shall be holding of share by individual farmers to the extent not exceeding 20%, farmer collectives including Farmer Producer Organizations and farmers' Co-operative to the extent not exceeding 22%, General public to the extent not exceeding 10% and Financial Institutions including

Primary Agriculture Co-operative to the extent not exceeding 15% of the authorized share capital".

4. Government have examined the matter in detail and are pleased to revise Clause 4 of the Articles of Association with the shareholding pattern of Kerala Agro Business Company (KABCO) as mentioned below :-

Category of Shareholders	Old Holding %	Revised Holding %
Government of Kerala	33	33
Individual Farmers	25	20
Farmer collective including Farmer Producer Organizations and Farmers' Co-operative	24	22
General Public	13	10
Financial Institution including Primary Agriculture Co-operatives	5	15

(By order of the Governor)
PRASANTH N I A S
SPECIAL SECRETARY

To:

1. The Managing Director, Kerala Agro Business Company
2. The Director Board Members, Kerala Agro Business Company (Through Managing Director)
3. Director, Agricultural Development and Farmers Welfare Department, Thiruvananthapuram.
4. Principal Accountant General (A&E/Audit) Kerala, Thiruvananthapuram.
5. Web & New Media, Information - Public Relations Department.
6. Office copy/Stock File. (E 2899195. AGRI-PU3/210/2024-AGRI)

Forwarded /By order

Section Officer

Copy :- Private Secretary to the Hon'ble Minister of Agriculture
P.A to the Agriculture Production Commissioner & Principal Secretary
P.A to the Special Secretary, Agriculture Department